

QUONSET/DAVISVILLE MANAGEMENT CORPORATION
MEETING OF BOARD OF DIRECTORS

PUBLIC SESSION
MINUTES

September 20, 2004

A meeting of the Board of Directors of the Quonset/Davisville Management Corporation (the “Corporation”) was held at 4:00 p.m. on Monday, September 20, 2004 at the offices of the Rhode Island Economic Development Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: David Darlington, Dale Grogan, Raoul Holzinger, Michael McMahon, John Patterson, M. Paul Sams, Senator J. Michael Lenihan, Representative Melvoid Benson and Dennis Webster. Senator James Sheehan joined the meeting while in progress.

Directors absent: Daryl Dayian, Doug Mancosh, Alfred Passarelli and Representative Kenneth Carter.

1. CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Chairman McMahon.

2. APPROVAL OF MINUTES

Upon motion duly made by Mr. Darlington and seconded by Ms. Grogan, the Board:

**VOTED: To approve the minutes of the meeting held on August 16, 2004
as presented to the Board.**

Voting in favor were: Mr. Darlington, Ms. Grogan, Mr. Holzinger, Mr. Patterson and Mr. Sams.

Voting against were: none.

Unanimously approved.

3. MANAGING DIRECTOR'S REPORT

Mr. Grout provided the Managing Director's report which included the

following:

A. The Corporation has hired a new Chief Financial Officer, Michael Geezil, who will commence work September 27, 2004.

B. The North Kingstown Chamber of Commerce has taken the lead in providing support to the bond issue and they have retained the services of Trion Communications to assist in the effort to develop support for the bond issue. Mr. Grout noted that as part of the educational process, it was important to provide complete information. Mr. Grout provided a review of the educational information being provided which included the following: a review of the vision for Quonset, development initiatives including the Gateway, Commerce Park, the Airport and Davisville Waterfront; capital requirements regarding infrastructure, potential employment impact and potential economic impact.

C. Mr. Grout indicated that the Town of North Kingstown appeared to be moving forward with the adoption of the Master Plan as part of the Town's Comprehensive Plan.

D. Senator Lenihan inquired with respect to the re-use of the golf course property in the event that the golf course was relocated. Mr. Grout indicated that the current golf course property is owned by the Town and that the re-use of the property would be subject to discussion with the Town along with the possibility of swapping the new golf course property for the existing property.

E. Mr. Patterson noted that the Development Plan for Quonset Business Park should be consistent with the Master Plan adopted by the Board of Directors. Mr. Grout indicated that the Development Plan is and will be consistent with the Master Plan.

F. Senator Sheehan inquired as to the current status of the Brown & Sharpe/Hexagon project. Mr. McMahon noted that staff was still working on the project, although it is possible that the company will relocate outside of Rhode Island.

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4. RECOMMENDATION REGARDING TRANSFER OF PROPERTY TO CIRCUIT DRIVE DRAINAGE ASSOCIATION

Mr. Matthews reviewed the proposal to transfer the detention pond identified as Lot 21 on Plat 179 on Circuit Drive in Kiefer Park to the Circuit Drive Drainage Association. The property consists of 1.41

acres and is improved with a detention pond which services four sites in Kiefer Park. The properties which are serviced by the detention pond include Emissive Energy, Supfina Machine Company, Inc., Dominion Diagnostics, LLC, and Meister Abrasives USA, Inc. The Board previously approved the transfer in 1998 subject to completion of improvements to the four parcels which would be utilizing the detention pond site. There will be no consideration paid to the Economic Development Corporation for the transfer of the detention pond. Representative Benson inquired as to who would have the responsibility for maintaining the detention pond and Mr. King responded that maintenance obligations will be the responsibility of the new owner.

Upon motion duly made by Mr. Darlington and seconded by Mr. Sams, the
Board:

VOTED: To recommend transfer of the detention pond identified as Lot 21 on Plat 179 containing approximately 1.41 acres to Circuit Drive Drainage Association in accordance with the Transaction Description submitted to the Board.

Voting in favor were: Mr. Darlington, Ms. Grogan, Mr. Holzinger, Mr. Patterson and Mr. Sams.

Voting against were: none.

Unanimously approved.

5. RECOMMENDATION REGARDING GRANT OF EASEMENT TO ZAKOPANE REALTY, LLC

Mr. Matthews reviewed the request of Zakopane Realty, LLC to acquire three (3) easements to facilitate communications between the new Ocean State Job Lot facility now under construction and the existing Ocean State Job Lot building located at 360 Callahan Road. Zakopane Realty, LLC is the entity under which Ocean State Job Lot has acquired real property at Quonset. The request is for three (3) separate easements, the first starts on the northern property line of 360 Callahan Road and proceeds north across Smith Street. There is no charge for this easement. The second starts on the northern side of Smith Street and continues north on the eastern edge of Lot 45 on Plat 183 and consists of approximately 5,880 square feet. The charge for this easement is \$8,092.92. The third easement starts on the north end of Lot 45, Plat 183 and proceeds

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across Moscrip Avenue and ends at the new Ocean State Job Lot site. There is no charge for this easement. The easements will terminate in the event that Ocean State Job Lot ceases operations on the Callahan Road site. Mr. Darlington inquired as to whether the streets have been recently paved and Mr. King responded that Moscrip had not yet been

completed and that Smith Street would require repairs as a result of the easements.

Upon motion duly made by Mr. Sams and seconded by Mr. Darlington, the Board:

VOTED: To recommend granting of the easements to Zakopane Realty, LLC in accordance with the terms set forth in the Transaction Description submitted to the Board.

Voting in favor were: Mr. Darlington, Ms. Grogan, Mr. Holzinger, Mr. Patterson and Mr. Sams.

Voting against were: None

Unanimously approved.

6. RECOMMENDATION REGARDING LEASE AMENDMENT WITH RHODE ISLAND MOORING SERVICES, INC.

Mr. Matthews reviewed the request by Rhode Island Mooring Services, Inc. to amend its existing lease by adding an additional 1.2 acres to construct a 7,000 square foot addition to their existing building for use as a marine fabrication facility and indoor boat storage. The construction of an additional 12 boat slips is also planned. Mr. Darlington noted that Rhode Island Mooring Services, Inc. does not meet the recommended jobs per acre ratio. Mr. Grout

noted that the recommended job requirements serve as a guideline and that the Board may consider other factors such as investment in approving a lease request.

**Upon motion duly made by Mr. Darlington and seconded by Mr. Holzinger, the
Board:**

VOTED: To recommend amendment of the Rhode Island Mooring Services, Inc. Lease to add an additional 1.2 acres in accordance with the Transaction Description submitted to the Board.

Voting in favor were: Mr. Darlington, Ms. Grogan, Mr. Holzinger, Mr. Patterson and Mr. Sams.

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**Voting against were: None
Unanimously approved.**

7. EXECUTIVE SESSION.

By open call prior to adjournment to executive session, upon motion duly made by Mr. Darlington and seconded by Mr. Sams, the

following motion was adopted:

VOTED: To adjourn to Executive Session to consider and act upon such matters as may be considered at a meeting closed to the public pursuant to the Open Meeting Law under subsection (2) (litigation), subsection (5) (acquisition or lease of real property for public purposes or disposition of publicly held property), and subsection (6) (location of prospective businesses in Rhode Island) of the Rhode Island General Laws Section 42-46-5(a) (the Open Meetings Law). Matters to be considered in Executive Session are as follows:

1. Update date regarding Pilot Agreement negotiations.

2. Recommendation regarding Lease Amendment with SENESCO.

Voting in favor were: Mr. Darlington, Ms. Grogan, Mr. Holzinger, Mr. Patterson and Mr. Sams.

Voting against were: None

Unanimously approved.

The meeting was adjourned to Executive Session at 5:05 p.m.

8. RECONVENE PUBLIC SESSION.

The public session was reconvened at 5:55 p.m.

9. UPDATE REGARDING PILOT AGREEMENT NEGOTIATIONS.

Mr. Grout provided members of the Board with a copy of his letter to Richard Kerbel, Town Manager, Town of North Kingstown, dated August 3, 2004 regarding ongoing negotiations involving the pilot payments. Mr. Grout noted that it was the Corporation's intention that all tenants would be subject to one Pilot Agreement, with the exception of Toray. There would be no

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reduction for job credits and there would be no tax on tax. He further noted that due to the significant reduction in the tax rate as a result of the recent revaluation by the Town, it was appropriate at this time to review the terms and provisions of the Pilot Agreement. The only change from the provisions set forth in Mr. Grout's letter of August 3, 2004 would be to increase the multiple from 10.75 to 11, which will result in higher payments to the Town.

Mr. Darlington inquired as to whether there are inequities between properties at Quonset which are owned by private companies as compared to those which are leased to private companies by the Economic Development Corporation. Mr. Grout indicated that as a result of the reduction of the rate and change in valuation for privately owned parcels, an inequity could result. Each parcel, however, would have to be reviewed on an individual basis.

10. VOTE TO KEEP EXECUTIVE SESSION MINUTES CONFIDENTIAL.

Upon motion duly made by Mr. Darlington and seconded by Mr. Sams, the following vote was adopted:

VOTED: Pursuant to Section 42-46-4 and Section 42-46-5 of the Rhode Island General Laws, the minutes of the Executive Session will not be made available to the public at the next regularly scheduled meeting of the Corporation.

Voting in favor were Mr. Darlington, Ms. Grogan, Mr. Holzinger, Mr. Patterson and Mr. Sams.

Voting against were none.

Unanimously approved.

There being no further business to come before the Board, the meeting was adjourned at 6:18 p.m. upon motion duly made by Mr. Darlington and seconded by Mr. Holzinger.

Respectfully submitted by:

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